

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

BEFORE THE INDIANA  
COMMISSIONER OF INSURANCE  
CAUSE NO.: 6645-AG08-0421-109

IN THE MATTER OF: )

Steven Serine, )  
Producer/Respondent )

2730 Fire Station Road )  
Martinsville, Indiana 46151 )

License Number: 1293080 )

Agency Action: )  
Enforcement. )

**FILED**  
MAY 29 2008  
STATE OF INDIANA  
DEPT. OF INSURANCE

### STATEMENT OF CHARGES

The Enforcement Division of the Indiana Department of Insurance (the "Department"), pursuant to the Indiana Administrative Orders and Procedures Act, Indiana Code Section 4-21.5 et seq., files charges against Steven SeRine (hereinafter referred to as "Respondent") an Indiana insurance producer currently holding a suspended license in the State of Indiana.

### INTRODUCTION

1. Respondent currently holds a suspended Indiana producer license number 1293080.
2. On February 5, 2008, the Department received correspondence from Allianz Life Insurance Company of North America ("Allianz") informing the Department that Allianz had terminated Respondent's appointment for cause pursuant to Indiana Code Section 27-1-15.6-15 for failing to remit premium checks due to Allianz.
3. On April 7, 2008, the Department received correspondence from American Equity Investment Life Insurance Company ("American Equity") informing the Department that

American Equity had terminated Respondent's appointment for cause pursuant to Indiana Code Section 27-1-15.6-15 for failing to remit premium checks due to American Equity.

4. The Department has received multiple consumer complaints alleging that premium monies paid to Respondent were never applied to the policies requested.

5. The Department sent copies of each complaint to Respondent via certified mail.

6. Respondent's license was suspended on April 25, 2008 for failing to provide a list of appointments pursuant to Indiana Code Section 27-1-15.6-12(h).

7. Respondent was the president of Indiana Insurance and Investment Group ("Indiana Insurance"), operating under Indiana producer license number 1234190.

8. Indiana Insurance was administratively dissolved on March 16, 1999 and therefore is no longer authorized to do business in the State of Indiana pursuant to Indiana Code Section 23-1-46-2.

9. Indiana Insurance's license was suspended on May 20, 2008 for failing to maintain a certificate of existence.

10. Respondent represented himself as an agent of Indiana Investment Group located at 960 South Morton Avenue, Martinsville, Indiana 46151.

11. Indiana Investment Group of 960 South Morton Avenue, Martinsville, Indiana 46151 does not possess an Indiana producer organization license and does not have any business entity reports on file with the Secretary of State's office.

#### COUNT I

12. Averments 1 through 11 are repeated as if fully incorporated by reference herein.

13. In May of 2007, Ms. Mary Rice (hereinafter referred to as "Ms. Rice"), met with Respondent to discuss the purchase of a long term care policy offered through Allianz.

14. Respondent directed Ms. Rice to make a check payable to Indiana Investment Group in the amount of three thousand one hundred sixty one dollars and fifty six cents (\$3,161.56) to cover the premium for the long term care policy. Ms. Rice acted in accordance with Respondent's direction.

15. After waiting several months to receive her long term care policy paperwork, Ms. Rice contacted Allianz to determine the status of her long term care policy.

16. Allianz informed Ms. Rice that no premiums were ever received.

17. Allianz conducted a thorough investigation into the matter and determined that Respondent failed to remit the premiums to Allianz.

18. Allianz issued a check to Ms. Rice in the amount of the long term care premium paid by Ms. Rice.

19. Respondent, several months later, issued a check to Allianz in the amount equal to the long term care premiums paid by Ms. Rice.

20. Respondent's conduct as alleged herein is contrary to Indiana Code Section 27-1-15.6-12(b)(4) and (8).

## COUNT II

21. Averments 1 through 20 are repeated as if fully incorporated by reference herein.

22. In May of 2006, Ms. Mary Ault (hereinafter referred to as "Ms. Ault"), met with Respondent to discuss short term investment opportunities.

23. Respondent suggested that Ms. Ault could invest ten thousand dollars (\$10,000.00) into a short term vehicle through Allianz and would receive a two thousand dollar (\$2,000.00) bonus.

24. Ms. Ault wrote two checks, ten thousand dollars (\$10,000.00) each, made payable to Allianz.

25. After receiving her 2007 annual statement, Ms. Ault noticed that no money was applied to her existing account with Allianz.

26. When approached by Ms. Ault, Respondent informed Ms. Ault that the money was in the account, but had not shown up on the statement.

27. After receiving her 2008 annual statement, Ms. Ault noticed that no money was applied to her existing account with Allianz.

28. Upon further investigation by Ms. Ault, it was discovered that the checks issued by Ms. Ault and made payable to Allianz, were deposited into Respondent's business account and never forwarded to Allianz.

29. Respondent endorsed the checks with the following endorsement: "Pay to the Order of Indiana Investment Grp. Agents Allianz For Deposit Only Indiana Investment Group."

30. Respondent's conduct as alleged herein is contrary to Indiana Code Section 27-1-15.6-12(b)(4) and (8).

### COUNT III

31. Averments 1 through 30 are repeated as if fully incorporated by reference herein.

32. In or around June of 2007, Mr. Maurice Loechte and Ms. Mary Loechte (hereinafter referred to as "the Loechtes") met with Respondent to discuss the purchase of a long term care policy offered through Allianz.

33. The Loechtes wrote a check in the amount of two thousand eight hundred seventy five dollars and eighty seven cents (\$2,875.87) payable to Allianz to cover the initial premiums for the long term care policy solicited by Respondent.

34. Respondent endorsed the check with the following endorsement: "Pay to Ind. Inv. Grp. Agents Allianz Life For Deposit Only Indiana Investment Group."

35. Allianz never received the initial premiums from Respondent and therefore no long term care policy was issued for the Loechtes.

36. Respondent's conduct as alleged herein is contrary to Indiana Code Section 27-1-15.6-12(b)(4) and (8).

#### COUNT IV

37. Averments 1 through 36 are repeated as if fully incorporated by reference herein.

38. On January 22, 2007, Ms. Virginia Schepers ("Ms. Schepers") wrote a check in the amount of ten thousand dollars (\$10,000.00) made payable to Allianz in order to invest in an annuity with Allianz.

39. The check was endorsed with the following endorsement: "Pay to Indiana Investment Group Agents Allianz For Deposit Indiana Investment Grp."

40. Allianz never received the initial premiums from Respondent and therefore no annuity contract was ever issued.

41. In early 2008, Ms Schepers informed Allianz of the occurrence who then attempted to contact Respondent.

42. Respondent never returned Ms. Schepers' money.

43. Respondent's conduct as alleged herein is contrary to Indiana Code Section 27-1-15.6-12(b)(4) and (8).

#### COUNT V

44. Averments 1 through 43 are repeated as if fully incorporated by reference herein.

45. On January 4, 2007, Ms. Martha Zentz ("Ms. Zentz") wrote a check in the amount of two thousand dollars (\$2,000.00) made payable to Indiana Investment Group for the purpose of purchasing an annuity contract.

46. On May 22, 2007, Ms. Zentz wrote another check in the amount of ten thousand dollars (\$10,000.00) made payable to Indiana Investment Group to be invested into the annuity contract.

47. Ms. Zentz never received any paperwork regarding an annuity contract from Respondent. Respondent, however, cashed both checks.

48. Respondent's conduct as alleged herein is contrary to Indiana Code Section 27-1-15.6-12(b)(4) and (8).

#### COUNT VI

49. Averments 1 through 48 are repeated as if fully incorporated by reference herein.

50. In 2006, Ms. Dorothy Knapp (hereinafter referred to as "Ms. Knapp") met with Respondent to discuss investment opportunities through American Equity.

51. Respondent recommended the purchase of annuities to Ms. Knapp representing that the contracts would earn a minimum of 3% interest, and allowed for penalty free withdrawals without limitation. She followed his recommendation based on Respondent's representation.

52. After receiving her first statement, Ms. Knapp discovered that the annuities she purchased earn 0% the first year and she could only withdraw up to 10% of the contract value per year without penalty. In addition, Ms. Knapp discovered that Respondent did not inform her that the annuity would not annuitize until Ms. Knapp was 98 years old.

53. Respondent's conduct as alleged herein is contrary to Indiana Code Section 27-1-15.6-12(b)(5) and (8).

#### COUNT VII

54. Averments 1 through 53 are repeated as if fully incorporated by reference herein.

55. In August of 2007, Ms. Knapp met with Respondent again to discuss another investment opportunity.

56. Respondent recommended that Ms. Knapp invest more money into her existing contract so he could receive a bonus from a competition American Equity was offering for its agents.

57. Respondent recommended that Ms. Knapp invest fifteen thousand dollars (\$15,000.00) into her existing contracts so he could win the contest and make \$10,000.00. In order to do this, Ms. Knapp needed to surrender several certificates of deposit ("CDs").

58. Respondent represented that if Ms. Knapp surrendered her CDs, he would pay for the surrender penalties. Ms. Knapp complied with this request and issued a check for fifteen thousand dollars (\$15,000.00) made payable to American Equity to be added to her existing annuity contracts.

59. After never receiving confirmation that the money given to Respondent by Ms. Knapp was actually applied to the annuity contract values, Ms. Knapp contacted Respondent.


60. Respondent indicated to Ms. Knapp that the money was never forwarded to American Equity and that Respondent would pay back Ms. Knapp. Respondent executed an "IOU" to Ms. Knapp to represent his promise to return her money.

61. In March of 2008, Respondent returned Ms. Knapp's fifteen thousand dollars (\$15,000.00).

62. Respondent's conduct as alleged herein is contrary to Indiana Code Section 27-1-15.6-12(b)(4) and (8).

WHEREFORE, the Department, by its counsel, Lisa M. Harpenau, prays that the Commissioner permanently revoke license number 12938080 of Steven SeRine, fine Respondent in the amount of ten thousand dollars (\$10,000.00) for each violation, require any and all

necessary restitution be paid by Respondent to the claimants herein, and all other appropriate relief.



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Lisa M. Harpenau, Esq.  
Attorney # 27560-55

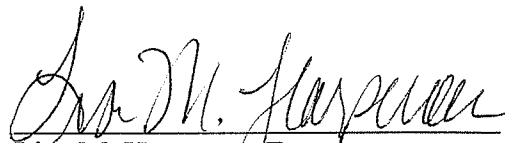
INDIANA DEPARTMENT OF INSURANCE  
Enforcement Division  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787



CERTIFICATE OF SERVICE

This is to certify that a copy of the Statement of Charges has been served upon Respondent in the captioned proceeding by First Class U.S. mail, postage prepaid, this 27<sup>th</sup> day of May 2008.

Steven SeRine  
2730 Fire Station Road  
Martinsville, IN 46151  
*Respondent*

  
Lisa M. Harpenau, Esq.  
Attorney # 27560-55